

## **NONCOMPLIANCE REPORT**

### Attachment to Atlanta Gold Corporation's Discharge Monitoring Reports

**February 2018** - The February 5<sup>th</sup>, 21<sup>st</sup>, and 27<sup>th</sup> sampling events produced arsenic concentrations of <5 ug/L, however, on February 12<sup>th</sup> the sampling results produced a concentration of 11 ug/L. Atlanta Gold Corporation (AGC) immediately started investigating this exceedance by conducting follow-up sampling and additional sampling to pinpoint the cause of the exceedance. The follow-up and additional sampling showed no higher levels of arsenic concentrations than normal. All necessary maintenance had been performed up to the sampling week in question and, given that the other sampling weeks had been below the threshold of 10 ug/L, the sampling event in exceedance was an anomaly. Additional follow-up sampling has shown that arsenic levels are continuing to stay below 5 ug/L. AGC has performed additional precautionary maintenance and has consulted with an USFS engineer to ascertain possible reasons for this exceedance.

**March 2018** – There was only one exceedance event for the month that occurred on March 19<sup>th</sup> which produced an arsenic concentration of 15 ug/L. All other arsenic results for the month were 5 ug/L or less than 5 ug/L. The highest iron concentration was 160 ug/L which is well below the limit of 1000 ug/L. Atlanta Gold Corporation immediately looked in to the cause of this exceedance by inspecting the filters for failure, consulting with the USFS, conducting follow up sampling and generally trying to isolate what went wrong. AGC believes that it is likely there was a spike in arsenic concentrations around the time of the sampling that the filter system was not able to completely eliminate before the samples were taken. Sampling the following week showed that results were back down to 5 ug/L.

**May 2018** – After the month of April with all samples in compliance, the first three weeks of May had sampling events which produced arsenic concentrations of 27 ug/L, 21 ug/L and 33 ug/L. These exceedances may have been due to the maintenance activities that started in mid-April after we were able to access the 600 level and continued through May. The maintenance activities included cleaning out culverts, adjusting pond flow, cleaning tanks and cells. In addition, a piping project was completed during the month to help handle the spring runoff. The last week of May sampling event showed results from the maintenance and the arsenic concentrations for the last sample result was back down to <5 ug/L and the iron dropped back down to <50 ug/L.

**July 2018** – The effluent first sampling of the month was 14 ug/L for arsenic. In reviewing the maintenance records, the day before and the day of the sampling showed that tanks #1 and #2 were being drained so that the treatment cells #1 and #3 could be cleaned out. This is probably what caused the arsenic level to spike since the rest of the month's sample results ranged from 7 to 9 ug/L. In the future, we will schedule the maintenance so that it isn't close to the days that samples are taken.

**August 2018** - The first effluent sample results for the month were 15 ug/L for arsenic and 100 ug/L for iron while the baseline sample results for arsenic and iron, respectively, were 47 ug/L and <50 ug/L. Some work in the adit was performed at this time and may have affected the results since the 2<sup>nd</sup> week results were both in compliance with 9 ug/L for arsenic and 90 ug/L for iron. However, the third week's results then climbed to 29 ug/L for arsenic and 220 ug/L for iron which may have been caused by the decrease of the influent flows towards the end of the month.

**September 2018** – During September, there was some activity in the adit preparing for winter which may have affected the sample results for the effluent weir. All of the effluent weir monthly samples were below 40 ug/L for arsenic and below 320 ug/L for iron except for one sample. On September 10<sup>th</sup>, the effluent weir results spiked to 538 ug/L for arsenic and 4440 ug/L for iron, however, the effluent weir tanks #5 & #6 results were 21 ug/L for arsenic and 570 ug/L for iron. Since the sample results of the effluent tanks

#5 & #6 taken at the same time were more in line with the rest of the month's effluent weir samples, there may have been a mix-up with the bottles. AGC will check into this spike to see what may have caused it.

**October 2018** – Four of the five effluent weir samples were below 40 ug/L for arsenic and 350 ug/L for iron. The fifth sample was taken the morning after a nightly snowfall and 1-1/2" snowfall during the day which may have affected this sample. It spiked to 126 ug/L for arsenic and 2550 ug/L for iron. Again, AGC will check to see what may have caused this spike.